SECURITY POLICY

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE WASHINGTON, D.C. 20301

SECRETARY OF DEFENSE

24 SEP 1981

In Reply Refer to: I - 24278/81

MEMORANDUM FOR THE RECORD

SUBJECT: Visit of Belgian Foreign Minister, Charles Nothomb (U)

0830, Monday, 21 September, Rm 3E924 Time and Place:

Present were: SecDef, Mr. Perle, Mr. Rixse, MG Bowman and MG Smith, Notetaker Cassidy; Minister Nothomb, Ambassador Schoumaker, Chef de Cabinet Cassiers, and Political Counselor Champenois.

- (C) After an exchange of pleasantries, SecDef described the present US budget review process, stressing that the reduction in the rate of increased defense spending would not make a major difference. Our major modernization programs will go ahead and our NATO commitments would not change under the Administration's proposals. Soviet threat continues to grow and we intend to provide soon a detailed paper for use with NATO publics.
- Nothomb responded that Belgium appreciated the American defense effort. The Belgian commitment to NATO is clear; there is no neutralism or pacificism at the political level. Present budgetary difficulties are serious, but Belgium made significant improvements to its and thus NATO's capabilities in the 70's and will do so again. From this position of responsible participation in NATO, Belgium is thus able to speak in favor of arms control negotiations as well as the need to improve defense.
- (C) LRTNF Nothomb stated that a great majority of the Belgian government and parliament support the position he and MOD Swaelen developed in September 1980: Support of arms control negotiations while at the same time taking necessary steps to implement the Belgian part of the Alliance decision. If in 1983 Belgium needs to deploy GLCM, the necessary steps will have been taken.
- (S) Nothomb noted the beginning of US-Soviet negotiations would be a good time to announce GLCM site selection; however the area's people first needed to be persuaded that deployment would be safe. The site area, Charleroi, is in bad economic shape with a failing steel industry. The Belgian government thus needs to have more of an industrial component in its TNF package to help offset the strong Socialist party opposition in that area. Therefore, Nothomb asked, that the US consider putting maintenance for F-15/F-16 engines in Belgium and supporting a high-technology oriented linkup of ACEC with General OSD review Dynamics.

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Classified by: Dir, EUR&NATO Policy Declassify by: 23 September 1987

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(S) SecDef noted that he had already passed construction and payroll benefit figures to MOD Swaelen to illustrate the economic benefits that would accompany GLCM basing. SecDef expressed reluctance to link TNF strengthening to other economic advantages. This was not to say there will not be greater cooperation on its own merit; the US would continue to pursue a more balanced two-way street in armaments trade. The economic benefits that stem from basing already were sizeable; \$1.4 billion over time (including multiplier effect). Mr. Perle noted that US technical teams could visit Belgian industry to look for additional opportunities for cooperation in armaments -- especially in the Charleroi area. SecDef closed by restressing the importance of GLCM basing and that the economic benefits for Belgium would be significant.

RICHARD C. BOWMAN MajGen, USAF Acting DASD

ISP

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